
INTERIM RECOMMENDATIONS

Recommendation 1: Continue dialogue with federal agencies regarding ongoing Outer Continental Shelf activities

North Carolina should continue in early and direct engagement with federal planning and permitting processes related to energy exploration off North Carolina and in adjacent waters.

The Governor and General Assembly, along with the appropriate executive agencies, should make comments on the proposed Five-Year Lease Plan (2010-2015) which ends September 21, 2009.

The General Assembly should ensure that adequate resources are available to executive agencies in that regard.

Recommendation 2: Actively pursue Outer Continental Shelf revenue sharing options

The Governor and General Assembly should work with the North Carolina Congressional delegation to explore options for revenue sharing with the federal government. Existing legislation such as the Gulf of Mexico Energy Security Act (GOMESA) of 2006 provides a template for how this might be accomplished.

Recommendation 3: Continued evaluation of key issues through the start of the 2010 Regular Session of the 2009 General Assembly

The Advisory Subcommittee believes further investigation of the following high-priority issues is needed, and will proceed to evaluate them:

1. The federal revenue sharing framework and North Carolina's ability to ensure equitable treatment.
2. A rigorous assessment of potential offshore energy resources, including probable exploration, development and production scenarios.
3. Clarification of offshore and onshore infrastructure needed for each scenario, including where infrastructure is (or is not) likely to be located.
4. Assessment of likely environmental implications of each scenario, including direct, indirect and accumulative impacts.
5. Assessment of likely social and economic implications of each scenario.
6. Economic study or model showing the different tradeoffs.
7. Ability of local governments to offset environmental and socioeconomic impacts, caused by infrastructure development.
8. Authority of North Carolina in the leasing process, both here and in adjacent waters.
9. Better understanding of the major markets and where the product would go.
10. Local government zoning laws as they pertain to the infrastructure needed for offshore energy.
11. Costs for distribution networks after production.